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DISPATCH		CLASSIFICATION S E C R E T	PROCESSING ACTION
TO Chief, EE INFO : COS, Germany; Chief, MLB; Chief, HOB; Chief, BOB; Chief, CSB; Chief, MOB FROM Chief, Bonn Operations Base SUBJECT : CAVATA/Liaison Problems in BfV Leadership		XX MARKED FOR INDEXING ONLY QUALIFIED DESK CAN JUDGE INDEXING MICROFILM	
ACTION REQUIRED - REFERENCES Ref: A. EGNA-30954, 26 Jan 1966 B. EGNA-31164, 28 February 1966 C. EGNA-31501, 4 April 1966 D. EGN-2721, 24 March 1966			
<p>1. <u>Summary</u> - The resignation of Dr. Ernst BRUECKNER as BfV Vice President again has brought to the forefront the basic problem of leadership within the BfV which has plagued the organization since its establishment. Coupled to this problem has been an unfortunate attitude of disinterest and misunderstanding which many responsible Interior Ministry officials have had toward the BfV throughout the post-war period. All this can accurately be explained as part of the fundamental problem of establishing an effective security service in a democratic Germany which succeeded the Nazi period with all of its excesses in this direction. Nonetheless, the leadership problem has seriously damaged the BfV public image, eroded internal morale and initiative, and handicapped the BfV in performing its security responsibilities against a massive post-war espionage effort from Eastern Europe. This dispatch intends to describe the current situation and its implications with respect to our relations with the BfV both at present and in the foreseeable future.</p> <p>2. <u>Historical Background</u> - As heir to the Gestapo and SD, the BfV was bound to have difficulty in attracting uncontaminated, democratically-motivated and professionally competent personnel. A compromise was made (with the tacit approval of the Allies) and the organization still suffers from the consequences. The selection</p> <p style="text-align: right;">....continued....</p> <p>Distribution:</p> <ul style="list-style-type: none"> 8 - C/EE 1 - COS/G 2 - C/MLB 2 - C/HOB 2 - C/BOB 2 - C/CSB 2 - C/MOB <p style="text-align: right;">GROUP I - Excludes from automatic downgrading and declassification</p>			
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<p>of Otto JOHN as the first President was the first major error, the results of which are well known to the addressees. However, of far more lasting effect on the organization's operational stature was the appointment of former Abwehr and Gestapo specialists, such as RADKE, GERKEN and WENGER, to senior positions within the BfV. Their selection established a precedence of leadership by former loyal servants of Hitler, which created an almost insurmountable gap between the Alte Hasen and the young lawyers and case workers who later came into the organization. Although previous minor incidents occurred, this ideological gap caused a gradual build-up of tensions which finally resulted in the PAETSCH defection to the press and the Telephone Affair. It should be understood that, although there are good reasons why PAETSCH should never have been hired by the BfV, his case is not an isolated one, but was symptomatic of a general morale problem within the BfV.</p> <p>3. <u>Aftermath of the Telephone Affair</u> - The parliamentary investigation gave the BfV a clean bill of health with respect to misuse of telephone tapping, but did result in the early retirement of Vice President RADKE; Department IV Chief, Richard GERKEN; and Department V Chief, Dr. Wilhelm LUDWIG. Furthermore, the most tainted Gestapo and SS types were transferred out of the BfV. The remaining group is currently under review (See Ref C). A new team of young lawyers (Dr. Richard MAYER, Albrecht RAUSCH and Werner SMOYDZIN) took over key positions in the BfV and Dr. Ernst BRUECKNER was selected by President SCHRUEBBERS to be his new Deputy. BRUECKNER, a basically intelligent, but opinionated and conceited individual, who for 11 years had a virtually free hand in running the Security Group of the Federal Criminal Office, suddenly found himself Number Two Man in an organization run by an equally conceited but procrastinating President. SCHRUEBBERS was so little involved in operations and supervision of his department chiefs that they ran practically independent activities within the BfV. BRUECKNER came to the BfV full of energy and reformist ideas, but found himself in the middle between a lethargic President and autonomous Department Chiefs. He finally cracked under the strain and gave up in despair as reported in references A and B.</p> <p>4. <u>Interior Ministry Supervision of the BfV</u> - The history of Interior Ministry supervision of the BfV has been a sad example of bureaucratic bungling, incompetence and heads in the sand. It was almost a standing joke in Bonn a few years ago that the BfV was being exploited by the Interior Ministry personnel department as a dumping ground for has-beens and malcontents from the Interior and other ministries. Dr. Rudolf TOYKA, who also lost his job as responsible Interior Ministry official for the BfV as a result of the Telephone Affair, proved repeatedly that he had no basic comprehension of the intelligence and security business and was absolutely no help either to the BfV or the Ministry. Former Interior Minister Gerhard SCHROEDER was a cold and aloof person who never really was interested in the BfV, but far more intent upon forwarding his own political career. His successor, Hermann HOECHERL, indicated again and again during the most critical days of the Telephone Affair how little he had been briefed on the BfV and its activities. Although President SCHRUEBBERS is at fault for not taking the initiative in keeping the Ministry officials briefed, the reciprocal lack of interest and competence on the part of Ministry officials proved to be disastrous in times of crisis and press attack. The most recent bungling in the handling of the publicity in the RHEINUFER case is a further indication that the top level Interior Ministry officials still have not learned to take the activities of the BfV seriously. There is no doubt that a number of lessons were learned by this case, especially for the new Interior Ministry LUECKE.</p> <p>5. <u>President SCHRUEBBERS</u></p> <p>a. Although SCHRUEBBERS cannot be criticized for the mess</p> <p style="text-align: center;">....continued....</p>		
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<p>he inherited from Otto JOHN, it is a sad reflection upon his own administration that after ten years in office so little was altered, that it took the revelations to the press of a low-level employee like PAETSCH to cause any change and reorganization of the BfV at all. Despite the reprimand by the parliamentary committee regarding internal control of operations and supervision of employees, no real revitalization of the BfV has yet taken place. The failure of BRUCKNER, despite his own weaknesses, to push through any reforms, also reflects upon the immobility and resistance to change of the President. As mentioned in paragraph 3 above, each Department Chief is free to run his department as he sees fit and gets little interference or guidance from the President. The great difficulty with this situation, despite the competence of any given Department Chief, is that his activities are never subject to review and examination with respect to their overall value to the organization and its mission. Operations tend to be run for the sake of operations and not according to an approved program. The same can be said of the Interior Ministry's overall supervision and tasking of the BfV. The Department Chiefs admit openly and even complain that they get such little guidance from the President and Ministry and must rely on their own assessment of what is worthwhile or not.</p> <p>b. SCHRUEBBERS most serious fault, however, in addition to his lack of dynamic leadership within the BfV, has been his almost complete failure to do even a minimum of political spadework in Bonn. When the Telephone Affair hit him, he found himself all alone facing a hostile press, a misguided and uninformed Interior Minister, an SPD-run Bundestag Interior Committee out to make political hay and an apathetic CDU. Furthermore, there were several maverick FDP politicians like Wolfram DORN taking pot-shots at him from the flank. He survived the ordeal (undoubtedly because of the lack of a competent replacement), but lost a lot of points with his own staff, who began to realize, how little recognition and support the BfV has with the public and in Bonn. SCHRUEBBERS still is dragging his feet with respect to fence-mending in Bonn and has procrastinated on a number of basic issues, including CALLIKAK negotiations with the BND and with the Allies. He still has not any idea how the BfV is going to handle this problem. SCHRUEBBERS is basically a retiring, apolitical, small-town lawyer, who has no ambitions except to hold on to a rather lucrative position as President of an organization, which for the past ten years more or less has run itself. He intentionally kept the BfV and himself out of the public and political limelight, but discovered to his dismay that, when his organization came under attack, he had no friends to come to his support. SCHRUEBBERS can best be described as honest and well-meaning, but almost totally lacking the fire and enthusiasm for his profession. He is quite taken with himself and his own abilities, but fundamentally a very lazy individual.</p> <p>6. Future Developments</p> <p>a. The above rather negative picture, reflects a factual assessment of the BfV leadership. Although these negative aspects have undoubtedly seriously effected the overall professional accomplishments of the organization, this assessment must be qualified by the other factual side of the picture, namely, that the BfV has attained a number of solid accomplishments in all fields of activity, including the neutralization of several highly-placed Eastern agents. These successes are due, however, largely to the professional skills of certain individual BfV employees, such as Hans WATSCHOUNEK and, as a matter of fact, the former Gestapo-man, Erich WENGER, as well as some significant leads from KUBARK. Furthermore, the BfV and LfVs attract leads and walk-ins by virtue of their overt status and relations with the police and other official organizations. Many of these leads have been successfully turned into operations of value to the Western counter-intelligence</p>		
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<p>effort. Even at present the BfV/LfV stable of double agent operations and penetrations of left and right radical movements in the Federal Republic is impressive. These accomplishments, however, have been attained despite and not because of the past and present leadership of the BfV.</p> <p>b. The picture is furthermore brightened by developments in Bonn, which indicate a gradual awakening to the awareness of the necessity of the Federal Government taking the security business seriously. In this respect the appointment of Paul LUNCKE to the Interior Minister's position appears promising and he has already indicated a positive attitude toward the BfV and its activities. He is bound to call upon SCHRUEBBERS more often to account for the BfV's operations and give better guidance to him in terms of the needs of the Federal Government. The appointment of Dr. Siegfried FROELICH to replace TOYKA is in our estimation a favorable development based on our initial impression of him during the last year. He is already rumored as a possible successor to SCHRUEBBERS as President, if and when the latter retires. The naming of the Chairmen of the Parliamentary Fractions as a watchdog committee for the BfV should insure that the parliamentary leaders will absorb at least a minimum of comprehension for the mission and problems of the BfV. Finally, the increased activity of Special Minister KRONE as coordinator of intelligence and security is a positive sign in terms of more centralized control and guidance of the German services, although it is doubtful if KRONE will ever exert a really dynamic influence on either the new -- now --</p> <p>c. In addition to the awakening interest in Bonn for the problems of the BfV, the younger men, who are moving into senior positions in the BfV, offer a promising outlook for competent, well-motivated leadership in the future. Outstanding in this group are: Werner SMOYDZIN, Special Assistant to the President Central Affairs (who recently visited KUBARK Headquarters to discuss the BfV's ADP planning); Dr. Richard MEIER, Chief, Department IV (Counter-Espionage); Albrecht RAUSCH (Chief, Department IV/B (CE Operations); and Dr. Hans-Josef HORCHM (Chief, Department III/B (CP Operations). All of these officers are about 40, and, although they lack the practical experience necessary for successfull and effective operations, they bring to the job a basic intelligence and a modern post-war German approach to the security business, which was lacking in their predecessors. Of particular importance is their willingness to learn, accept new ideas and advice. All of them have indicated strong pro-American leanings and an appreciation for the value and necessity of close cooperation with KUBARK. It is too early to state definitely that these officers will in fact succeed in giving the BfV its so necessary reform and rejuvenation, because their morale and devotion to their jobs is so dependent upon their attitude toward and relationship with the President and Vice-President. Their relations with BRUECKNER (with the exception of SMOYDZIN) were almost catastrophic. Toward SCHRUEBBERS they are condescending, but at times sharply critical and exasperated with his procrastination.</p> <p>d. In addition to the above young lawyer group, two old friends of KUBARK remain in key positions of the BfV:</p> <p>(1.) Dr. Guenther NOLLAU, Department III Chief, who has always been an energetic, knowledgeable and internationally-minded expert on Communism, but has not had a direct influence on the BfV leadership or its counter-espionage activities. His relationship with SCHRUEBBERS has always been cool and at times so outspokenly critical that he was passed over by SCHRUEBBERS, when the latter selected BRUECKNER as his Vice President.</p>			
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<p>(2) Lorenz BESSEL-MERCK, Chief Department II, who has also been passed over as a vice-presidential candidate. He has a reputation for his preoccupation with theories and plans rather than organization and leadership. He remains an influential senior official, but as long as SCHRUEBBERS is President he will not have the influence on the organization which he potentially might exert.</p> <p>c. The key problem at present is to find a new Vice President and no clear front-runner has been mentioned to date. Dr. NOLLAU is again in the running, as are BfV Chiefs Dr. REDDING (Hamburg) and KAESSBERGER (Rheinland-Pfaltz). We have been advised that Minister WIECKE has given instructions that he personally wants to screen and approve the appointment of the next BfV Vice President. Since he is a proponent of the grand coalition, it is expected that he will favor appointment of an SPD man for the job, which would make Dr. REDDING the favored candidate. SCHRUEBBERS current illness (reported in reference D) points up his own frailties and indicates that he may not have the stamina to continue in the job until reaching retirement age. In any case, he will need a deputy who has the respect of both the rank and file of the BfV and can carry weight with the Ministry in Bonn.</p> <p>7. Effects on Bonn Base Liaison Relations with the BfV -</p> <p>a. Except for the obvious restrictions which the political and leadership problems of the last three years have placed on BfV operations, the above described situation has not seriously handicapped our liaison relations with the BfV. As a matter of fact, SCHRUEBBERS' lack of interest in becoming directly involved in operations plus his basic pro-American attitude and appreciation for the contributions of KUBARK to German security have enabled us to have virtually free access to whomever we wish to contact within the BfV. We have exploited this favorable situation to establish extensive contacts in nearly all departments, and in Departments III and IV we have regular contacts with about 25 officers. Likewise, the department chiefs condone these broad contacts and have supported almost every proposal and query which we have made to the BfV. We have found, with few exceptions, that nearly every BfV staffer with whom we are in contact is basically very pro-American and appreciative of the support we give their organization. Although many rank and file officers would be far more aggressive in their operations, they have been restricted by the hesitation of the leadership and the political implications of the past affairs. Nonetheless, we do have a very favorable atmosphere with respect to the attitude of the BfV toward our unilateral operational activity in the Federal Republic and have received direct BfV support for this activity. This is certainly an important consideration when judging President SCHRUEBBERS and our relationship with him. Another BfV President might attempt to channel our liaison through a single officer or try to restrict our unilateral activity against targets also of interest to the BfV. This has not to date been the case, nor is it anticipated as long as SCHRUEBBERS is President.</p> <p>b. In consideration of all of the above, our current and continuing liaison objectives will be threefold:</p> <p>(1) Exploit all current multiple contacts within the BfV to support our unilateral mission and to obtain as much detail as possible about BfV operations, personalities, capabilities, and intentions;</p>		

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<p>(2) Develop certain of the above contacts into special relationships in the CAPITCH field in preparation for the time when access in its present-day scope is no longer possible; and</p> <p>(3) Explore areas where KUBARK can effectively support the BfV in strengthening and improving its organization, operations, image, morale and effectiveness.</p> <p>Approved [] [] []</p>		
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